

## Message Text

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ORIGIN EB-08

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TREASURY:MGADBAW(SUBS)  
TREASURY:JRAY(SUBS)

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R 110113Z FEB 78  
FM SECSTATE WASHDC  
TO ALL OECD CAPITALS  
AMEMBASSY BELGRADE  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
AMEMBASSY BUCHAREST  
AMEMBASSY BUDAPEST  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CARACAS  
USMISSION GENEVA  
AMCONSUL HONG KONG  
AMEMBASSY MANILA  
AMEMBASSY MEXICO  
AMEMBASSY MONTEVIDEO  
AMEMBASSY MOSCOW  
AMEMBASSY NASSAU  
AMEMBASSY NEW DELHI  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY PRAGUE  
AMEMBASSY PRETORIA  
AMEMBASSY SANTIAGO  
AMEMBASSY SANTO DOMINGO  
AMEMBASSY SEOUL  
AMEMBASSY TAIPEI  
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AMEMBASSY VALLETTA  
AMEMBASSY WARSAW

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USEEC ALSO FOR EMBASSY; USOECD ALSO FOR EMBASSY;PASS CONSULS

E.O. 11652: N/A

TAGS:ETRD, EIND, US

SUBJECT: TRIGGER PRICE MECHANISM FOR STEEL: QUESTIONS AND ANSWERS

1. THE TREASURY DEPARTMENT RELEASED ON FEBRUARY 10 THE FOLLOWING QUESTIONS AND ANSWERS CONCERNING THE TRIGGER PRICE MECHANISM. POSTS SHOULD DRAW ON THIS MATERIAL IN INFORMING HOST COUNTRY GOVERNMENT AND STEEL INDUSTRY AND IN RESPONDING TO INQUIRIES.

2. BEGIN TEXT

THIS IS THE SECOND SET OF ANSWERS WHICH HAVE BEEN PREPARED TO RESPOND IN A GENERAL FASHION TO QUESTIONS WHICH HAVE BEEN RAISED REGARDING THE IMPLEMENTATION AND OPERATION OF THE TRIGGER PRICE MECHANISM FOR MONITORING IMPORTS OF BASIC STEEL MILL PRODUCTS. THESE ANSWERS ARE NOT INTENDED TO DEAL WITH ALL THE CIRCUMSTANCES WHICH MAY ARISE. FOR SPECIFIC QUESTIONS, INQUIRIES SHOULD BE ADDRESSED TO BEN IRVIN OR DICK ROSETTIE, SPECIAL CUSTOMS STEEL TASK FORCE (202-566-8121 OR 8235), DUTY ASSESSMENT DIVISION, 1301 CONSTITUTION AVENUE, N.W., WASHINGTON, D.C. 20226.

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THE FIRST SET OF QUESTIONS AND ANSWERS, PREPARED INITIALLY IN RESPONSE TO QUESTIONS RAISED BY THE HOUSE SUBCOMMITTEE ON INTERNATIONAL TRADE, WERE RELEASED BY TREASURY ON JANUARY 27, 1978, AND CAN BE OBTAINED FROM THE TREASURY DEPARTMENT PUBLIC AFFAIRS OFFICE. OTHER INFORMATION ON THE TRIGGER PRICE MECHANISM IS AVAILABLE AS FOLLOWS:

(1) PROPOSED AMENDMENTS TO THE CUSTOMS REGULATIONS RELATING TO THE DOCUMENTS AND INFORMATION REQUIRED TO BE FILED AT THE TIME OF IMPORTATION OF CERTAIN ARTICLES OF STEEL, 42 F.R. 65214 (DECEMBER 30, 1977); (2) "TRIGGER PRICES" FOR IMPORTED STEEL MILL PRODUCTS, 43 F.R. 1464 (JANUARY 9, 1978); (3) STEEL TRIGGER PRICE HANDBOOK, JANUARY 1978, 43 F.R. 4703 (FEBRUARY 3, 1978); AND (4) ENTRY OF MERCHANDISE -- CUSTOMS REGULATION AMENDED, 43 F.R. (FEBRUARY 13, 1978).

A. TRIGGER PRICES - PURPOSE AND COMPONENTS

A. 1. Q. ARE TRIGGER PRICES MINIMUM PRICES BELOW WHICH IMPORTS MAY NOT BE MADE?

A. THE TRIGGER PRICE MECHANISM (TPM) IS A COMPONENT OF THE COMPREHENSIVE PROGRAM FOR THE U.S. STEEL INDUSTRY RECOMMENDED BY THE INTERAGENCY TASK FORCE, CHAIRED BY UNDER SECRETARY OF THE TREASURY ANTHONY M. SOLOMON, AND APPROVED BY THE PRESIDENT ON DECEMBER 6, 1977. THE TASK FORCE RECOMMENDED THAT THE TREASURY DEPARTMENT SET UP A

SYSTEM TO MONITOR IMPORTS OF STEEL INTO THE UNITED STATES AND TO EXPEDITE INVESTIGATION OF CASES IN WHICH IMPORTS APPEAR TO BE PRICED BELOW THE STANDARD OF THE ANTIDUMPING ACT. THE TRIGGER PRICE MECHANISM IS EXCLUSIVELY A DEVICE TO ENABLE THE SECRETARY OF THE TREASURY TO IDENTIFY IMPORTS OF STEEL AT PRICES WHICH APPEAR TO BE BELOW "FAIR VALUE" UNDER THE ACT AND TO DETERMINE, WITHOUT THE NEED FOR A COMPLAINT, AND ON AN EXPEDITED BASIS, WHETHER SUCH SALES ARE IN FACT BELOW FAIR VALUE. SUCH  
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INVESTIGATIONS WILL BE INITIATED BY THE TREASURY DEPARTMENT ONLY WITH RESPECT TO SALES BELOW TRIGGER PRICES. THE IMPLEMENTATION OF THIS SYSTEM DOES NOT ADD OR DETRACT FROM THE RIGHTS OF ANY PERSON UNDER THE ANTIDUMPING ACT.

A. 2. Q. WOULD A SALE BELOW THE TRIGGER PRICE VIOLATE THE ANTIDUMPING ACT?

A. A SALE BELOW THE TRIGGER PRICE WOULD NOT PER SE VIOLATE THE ANTIDUMPING ACT. THE IMPORTER AND EXPORTER INVOLVED IN A SALE BELOW THE TRIGGER PRICE WILL BE GIVEN AN OPPORTUNITY TO ESTABLISH THAT IT WAS AT "FAIR VALUE" AS DEFINED IN THE REGULATIONS UNDER THE ANTIDUMPING ACT (19 CFR 153.1 - 153.7).

A. 3. Q. WILL TRIGGER PRICES BE ESTABLISHED FOR ALL STEEL MILL PRODUCTS?

A. TRIGGER PRICES WILL BE ESTABLISHED FOR MOST STEEL MILL PRODUCTS IMPORTED INTO THE UNITED STATES THAT FALL WITHIN THE 32 CATEGORIES SO LISTED BY THE AMERICAN IRON AND STEEL INSTITUTE AND AS PUBLISHED IN THE DECEMBER 30, 1977, FEDERAL REGISTER (42 F.R. 65214).

A.4. Q. WHAT DOES THE TRIGGER PRICE CONSIST OF?

A. A TRIGGER PRICE IS THE AGGREGATE FIGURE OF A BASE PRICE FOR A STEEL MILL PRODUCT PLUS APPROPRIATE EXTRA(S) AND SHIPPING, INSURANCE, INTEREST AND HANDLING COSTS. THE BASE PRICES ARE STATED IN U.S. DOLLARS PER METRIC TON AND CONSIST OF THE JAPANESE COST OF PRODUCTION OF ACTUAL WEIGHT (INCLUDING OVERHEAD AND PROFIT). THE "EXTRAS" LIST SETS FORTH THE PRICES ASSOCIATED WITH THE ADDITIONAL  
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COSTS FOR DIFFERENT SPECIFICATIONS, SUCH AS WIDTH, THICKNESS, CHEMISTRY AND SURFACE PREPARATION. SHIPPING AND RELATED COSTS ARE DIFFERENTIATED FOR EACH OF THE FOUR MAJOR IMPORTING REGIONS -- THE EAST COAST, GULF COAST,

PACIFIC COAST, AND GREAT LAKES.

A. 5. Q. HOW OFTEN WILL TRIGGER PRICES BE REVISED?

A. TRIGGER PRICES WILL BE REVISED QUARTERLY TO REFLECT CHANGES IN COSTS OF PRODUCTION. HOWEVER, THE INITIAL TRIGGER PRICES WILL BE IN EFFECT FROM THE DATE OF THEIR PUBLICATION IN THE FEDERAL REGISTER THROUGH THE SECOND CALENDAR QUARTER OF 1978. TRIGGER PRICES FOR THE THIRD CALENDAR QUARTER (JULY THROUGH SEPTEMBER 1978) ARE EXPECTED TO BE PUBLISHED IN APRIL.

A. 6. Q. WILL TRIGGER PRICES BE ADJUSTED DURING A CALENDAR QUARTER FOR FLUCTUATIONS IN CURRENCY RATES?

A. NO. THE QUARTERLY REVISION WILL, HOWEVER, REFLECT CURRENCY FLUCTUATIONS TO THE EXTENT THEY AFFECT PRODUCTION COSTS.

A. 7. Q. UNDER THE TRIGGER PRICE MECHANISM, WHAT TREATMENT WILL BE GIVEN TO "SECONDS", I.E., OVERROLLED, SECONDARY OR UNDERPROCESSED MATERIAL?

A. "SECONDS", WHEN PRICED BELOW APPLICABLE TRIGGER PRICES, WILL BE REVIEWED AS WILL ALL OTHER SHIPMENTS. IF IT IS ESTABLISHED THAT MERCHANDISE INVOICED AS "SECONDS" IS ACTUALLY AN INCOMPLETE OR OFF-SPEC PRODUCT, ALLOWANCE

WILL BE MADE. THE FACT THAT MERCHANDISE IS A "SECOND" DOES NOT EXCEPT IT FROM THE TRIGGER PRICE MECHANISM. THE SSSI INVOICE SHOULD REFLECT THE QUALITY IN ITEM 15 "DESCRIPTION OF GOODS (INCLUDE SPECIFICATIONS)".  
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A. 8. Q. THE TRIGGER PRICES INCLUDE HANDLING COST TO EACH OF FOUR U.S. REGIONS -- EAST COAST, GULF COAST, PACIFIC COAST, AND GREAT LAKES. IN WHICH REGION DO THE FOLLOWING BELONG -- HAWAII, PUERTO RICO, CANADIAN BORDER, AND MEXICAN BORDER?

A. AREA REGION

HAWAII	PACIFIC COAST
PUERTO RICO	EAST COAST
CANADIAN BORDER, EXCEPT	
BRITISH COLUMBIA	GREAT LAKES
BRITISH COLUMBIA	PACIFIC COAST
MEXICAN BORDER, EXCEPT	
CALIFORNIA	GULF COAST
CALIFORNIA	PACIFIC COAST

A. 9. Q. IF A SHIPMENT ARRIVED AT NEW ORLEANS FOR

IMMEDIATE TRANSPORTATION TO CHICAGO, WHICH HANDLING COSTS WILL BE USED -- THOSE TO THE GULF COAST REGION OR THOSE TO THE GREAT LAKES REGION?

A. THE HANDLING COSTS TO THE GULF COAST REGION WILL BE USED.

A. 10. Q. HOW WILL VARIATIONS IN CREDIT TERMS BE TREATED?

A. THE TRIGGER PRICES ASSUME THAT PAYMENT IS REQUIRED 30 DAYS FOLLOWING DELIVERY TO THE IMPORTER. ACCORDINGLY, IN MONITORING IMPORTS AN ADJUSTMENT (UP OR DOWN) WILL BE MADE FOR CREDIT TERMS WHICH VARY IN ANY SIGNIFICANT UNCLASSIFIED

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RESPECT FROM THIS THRITY DAY PERIOD.

A. 11. Q. HOW WILL ACTUAL CONTRACT TERMS BE COMPARED WITH TRIGGER PRICES?

A. THE TPM IS BASED ON CIF SALES. IF A CONTRACT IS ON TERMS OTHER THAN CIF (E.G., FOB, C AND F, DUTY-PAID/ DELIVERED), THE EQUIVALENT TO CIF TERMS WILL BE CALCULATED BASED ON THE COSTS OF THE MERCHANDISE, INSURANCE, INTEREST, FREIGHT AND WHARFAGE ACTUALLY INCURRED WITH RESPECT TO THAT SHIPMENT REGARDLESS OF THE

PARTY FOR WHOSE ACCOUNT SUCH CHARGES ARE INCURRED. IF THE IMPORTER PAYS SUCH CHARGES, THEY MUST BE SHOWN ON THE ENTRY DOCUMENTS ACCOMPANYING THE SSSI.

A. 12. Q. WHAT IS THE EFFECTIVE DATE OF THE SPECIAL SUMMARY STEEL INVOICE? HOW DOES THAT RELATE TO THE EFFECTIVE DATE OF TRIGGER PRICES?

A. THE SSSI MUST BE USED WITH RESPECT TO ALL ENTRIES OF STEEL MILL PRODUCTS MADE ON OR AFTER FEBRUARY 21, 1978. BEGINNING FEBRUARY 21, ALL ENTRIES OF STEEL MILL PRODUCTS EXPORTED ON OR AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER OF THE APPLICABLE TRIGGER BASE PRICES WILL BE MONITORED.

EXAMPLES:

1. SHIPMENT OF STEEL PLATE ENTERS FEBRUARY 14, 1978.

-- NO SSSI FORM REQUIRED; TRIGGER PRICE MECHANISM IS NOT APPLICABLE.

2. SHIPMENT OF WIDE FLANGE BEAMS (SPECIFICATION: ASTM A36; DIMENSION 12" X 12") EXPORTED ON JANUARY 6, 1978, AND

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ENTERED ON MARCH 10, 1978.

-- AN SSSI WILL BE REQUIRED. HOWEVER, BECAUSE THE TRIGGER PRICES FOR STANDARD WIDE FLANGE BEAMS WERE PUBLISHED IN THE FEDERAL REGISTER ON JANUARY 9, 1978, AND THIS SHIPMENT WAS EXPORTED BEFORE THAT DATE, THE TRIGGER PRICE MECHANISM IS NOT APPLICABLE.

3. SHIPMENT OF WIDE FLANGE BEAMS (SPECIFICATION: ASTM A36; DIMENSION 4" X 4") EXPORTED FEBRUARY 1, 1978, AND ENTERED MARCH 10, 1978.

-- AN SSSI WILL BE REQUIRED. EVEN THOUGH THE EXTRAS FOR THIS PRODUCT WERE NOT PUBLISHED UNTIL AFTER FEBRUARY 1, 1978, THIS ENTRY WILL BE MONITORED BECAUSE THIS SHIPMENT WAS EXPORTED AFTER JANUARY 9, 1978, THE DATE OF PUBLICATION IN THE FEDERAL REGISTER OF THE BASE PRICES FOR WIDE FLANGE BEAMS.

#### B. SPECIAL SUMMARY STEEL INVOICE

B. 1. Q. WHAT IS THE SPECIAL SUMMARY STEEL INVOICE (SSSI)?

A. THE SSSI IS THE MEANS BY WHICH THE PRICES OF IMPORTED

STEEL MILL PRODUCTS CAN BE MONITORED. THE CUSTOMS SERVICE WILL REQUIRE THAT IMPORTERS PRESENT AN SSSI FOR EACH ENTRY OF A STEEL MILL PRODUCT. THE SSSI DESCRIBES AND STATES THE VALUE OF THE IMPORT BY IDENTIFYING ITS BASE PRICE AND RELEVANT EXTRAS. INVOICE UNIT PRICES PLUS IMPORTATION CHARGES SHOWN ON THE SSSI WILL BE COMPARED WITH THE TRIGGER PRICES IN EFFECT ON THE DATE OF  
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EXPORTATION. A COPY OF THE FORM IS ATTACHED. IT MUST BE SUBMITTED IN DUPLICATE AND SHOULD IN ALL RESPECTS BE CONSISTENT WITH COMMERCIAL INVOICES AND OTHER DOCUMENTS DELIVERED BY THE SELLER.

B. 2. Q. WHO PREPARES THE SSSI?

A. BECAUSE THE INVOICE IS A STATEMENT BY THE FOREIGN SELLER, THE SSSI MUST BE SIGNED BY THE SELLER/SHIPPER OR HIS AGENT. HOWEVER, TO COMPLETE AN ENTRY, THE IMPORTER MUST FURNISH A CONSUMPTION ENTRY (FORM 7501) IN WHICH HE CERTIFIES THAT TO THE BEST OF HIS KNOWLEDGE THE INFORMATION IN THE ENTRY (INCLUDING THE SSSI) IS

COMPLETE AND ACCURATE. ANY OMISSION OR ERROR IN THE SSSI SHOULD BE NOTED BY THE IMPORTER ON THE SSSI.

B. 3. Q. WILL AN SSSI BE REQUIRED FOR A SHIPMENT WITH A PURCHASE PRICE BELOW 2500 DOLLARS?

A. NO. AN SSSI WILL BE REQUIRED ONLY FOR SHIPMENTS WHICH THE DISTRICT DIRECTOR DETERMINES TO HAVE AN AGGREGATE PURCHASE PRICE OVER 2500 DOLLARS INCLUDING ALL EXPENSES INCIDENT TO PLACING THE MERCHANDISE IN CONDITION PACKED READY FOR SHIPMENT TO THE UNITED STATES.

B. 4. Q. WHERE WILL COPIES OF THE SSSI FORMS BE MADE AVAILABLE?

A. COPIES WILL BE AVAILABLE FROM THE GOVERNMENT PRINTING OFFICE AS SOON AS THE FORMS CAN BE PRINTED. UNTIL GPO PRINTED FORMS ARE AVAILABLE, ANY DISTRICT DIRECTOR OF CUSTOMS OR ANY U.S. CONSUL OR U.S. EMBASSY WILL HAVE COPIES AVAILABLE FOR REPRODUCTION. IN ADDITION, PRIVATELY MADE COPIES OF THE FORM AS IT APPEARS IN THE FEDERAL REGISTER CAN BE USED SO LONG AS THEY ARE IDENTICAL IN CONTENTS AND SIZE AND NOT INFERIOR IN PAPER QUALITY  
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TO THAT AVAILABLE FROM U.S. GOVERNMENT SOURCES.

B. 5. Q. WHAT SHOULD BE DONE IF AN SSSI FORM CANNOT BE OBTAINED BY THE SHIPPER OR IS NOT RECEIVED BY THE IMPORTER IN TIME TO MAKE ENTRY?

A. BECAUSE OF THE SPPED WITH WHICH THE TRIGGER PRICE MECHANISM IS BEING IMPLEMENTED, DELAYS MAY INITIALLY OCCUR IN DISTRIBUTING BLANK SSSI FORMS. COPIES BASED ON THE FEDERAL REGISTER VERSION OF THE SSSI FORM CAN BE USED UNTIL OFFICIAL FORMS ARE AVAILABLE, SUBJECT TO THE CONTENTS, SIZE AND PAPER QUALITY STANDARDS NOTED ABOVE.

B.6. Q. MUST THE SSSI BE PRESENTED BEFORE STEEL SHIPMENTS CAN BE RELEASED FROM CUSTOMS CUSTODY, OR ARE IMMEDIATE DELIVERY (ID) PROCEDURES AVAILABLE?

A. ID PROCEDURES WILL BE AVAILABLE, PROVIDED AN SSSI IS PRESENTED WITHIN 10 WORKING DAYS AFTER RELEASE. BUT, IF IMPORTERS ARE UNABLE TO PRODUCE THE SSSI FOR FILING OF FORMAL CUSTOMS DOCUMENTS WITHIN 10 WORKING DAYS, CUSTOMS ENTRY FORMALITIES CANNOT BE FINALIZED AND APPROPRIATE CHARGES WILL BE IMPOSED UNDER THE ENTRY BOND.

B. 7. Q. IF THE SSSI COVERS SEVERAL TYPES OF MERCHANDISE PRICED IN DIFFERENT WAYS, SHOULD EACH TYPE BE SHOWN SEPARATELY?

A. YES.

B. 8. Q. MUST A DUPLICATE SSSI BE FILED WITH EACH ENTRY PACKAGE FOR STEEL MILL PRODUCTS SUBJECT TO THE TRIGGER PRICE MECHANISM?  
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A. YES. THE SSSI MUST BE PREPARED IN DUPLICATE.

B. 9. Q. IS THE SSSI REQUIRED FOR STEEL SHIPMENTS FROM ALL COUNTRIES?

A. YES, FOR ALL PRODUCTS COVERED BY THE TPM. SOME STEEL PRODUCTS ARE NOT COVERED. FOR EXAMPLE, PRODUCTS NOT CLASSIFIED AS "STEEL MILL PRODUCTS" ARE EXCLUDED; FABRICATED ARTICLES ARE NOT INCLUDED. ANY STAINLESS STEEL PRODUCT WHICH IS A STEEL MILL PRODUCT MUST BE ACCOMPANIED BY AN SSSI BUT WILL NOT BE MONITORED AS LONG AS IT IS SUBJECT TO IMPORT QUOTAS.

B. 10. Q. IS THE SSSI REQUIRED FOR STEEL MILL PRODUCTS FOR WHICH NO TRIGGER PRICES HAVE BEEN ANNOUNCED?

A. YES. THE SSSI WILL BE REQUIRED FOR THOSE STEEL MILL PRODUCTS WHICH ARE WITHIN THE 32 CATEGORIES OF BASIC STEEL MILL PRODUCTS AND WHICH ARE INCLUDED IN A SHIPMENT

WITH AN AGGREGATE VALUE OF 2500 DOLLARS INCLUDING ALL EXPENSES INCIDENT TO PLACING THE MERCHANDISE IN CONDITION PACKED READY FOR SHIPMENT TO THE UNITED STATES.

B. 11. Q. THE FEDERAL REGISTER NOTICE OF PROPOSED RULE-MAKING REGARDING THE SSSI STATES THAT INVOICE PRICES WOULD BE COMPARED WITH THE TRIGGER PRICES IN EFFECT AS OF THE DATE THE SHIPMENT "WAS LOADED FOR EXPORT" TO UNITED STATES PORTS. WHAT DATE IS CONSIDERED THE DATE THE SHIPMENT IS LOADED FOR EXPORT?

A. THE CUSTOMS SERVICE WILL USE THE DATE OF EXPORTATION, THAT IS, THE DATE THE MERCHANDISE LAST LEAVES THE COUNTRY OF EXPORTATION. THE INVOICE PRICES WILL BE COMPARED TO THE TRIGGER PRICES IN EFFECT ON THAT DATE OF EXPORTATION.  
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B. 12. Q. MUST EVIDENCE OR PROOF OF THE SALES CONTRACT BE SUBMITTED AT ENTRY?

A. NOT USUALLY, HOWEVER, THE COMMERCIAL INVOICE MUST BE SUBMITTED. THE SSSI WILL CONTAIN MOST OF THE NECESSARY



INFORMATION AND SHOULD BE CONSISTENT WITH THE INVOICE. IMPORT SPECIALISTS MAY HAVE COPIES OF PURCHASE ORDERS ON FILE AS PART OF THEIR REGULAR APPRAISEMENT PROCEDURES. HOWEVER, A COPY OF THE CONTRACT OR PURCHASE ORDER MAY BE REQUESTED. ADVANCE SUBMISSIONS OF CONTRACTS OR PURCHASE ORDERS EXPEDITES ENTRY, BUT SUCH SUBMISSION IS NOT REQUIRED.

C. FIXED PRICE CONTRACTS

C. 1. Q. HOW WILL SHIPMENTS COVERED BY FIXED PRICE CONTRACTS BE TREATED?

A. ALL ENTRIES FOR WHICH TRIGGER PRICES HAVE NOW BEEN PUBLISHED WILL BE MONITORED. HOWEVER, CONTRACTS WITH FIXED PRICE TERMS CONCLUDED BEFORE JANUARY 9, 1978, WILL BE TREATED AS FOLLOWS:

1. CONTRACTS WITH FIXED PRICE TERMS BETWEEN UNRELATED PARTIES: IF THE IMPORTER DOCUMENTS AT OR BEFORE THE TIME OF ENTRY THAT THE SHIPMENT IS BEING IMPORTED UNDER SUCH A CONTRACT WITH AN UNRELATED PARTY, THE ENTRY WILL NOT TRIGGER AN INVESTIGATION EVEN IF THE SALES PRICE IS BELOW THE TRIGGER PRICE, PROVIDED THAT ENTRY IS MADE BEFORE APRIL 30, 1978. HOWEVER, FAILURE TO INITIATE AN INVESTIGATION WILL NOT DIMINISH THE RIGHT OF AFFECTED INTERESTED PERSONS TO FILE A COMPLAINT WITH RESPECT TO UNCLASSIFIED

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SUCH IMPORTS UNDER THE ESTABLISHED PROCEDURES FOR ANTI-DUMPING CASES.

2. CONTRACTS BETWEEN RELATED PARTIES: IF THE IMPORTER DOCUMENTS AT THE TIME OF ENTRY THAT THE SHIPMENT IS BEING IMPORTED UNDER A CONTRACT WITH A RELATED PARTY (AS THAT TERM IS DEFINED IN 19 U.S.C., SECTION 166), AND THE SHIPMENT IS TO BE RESOLD TO AN UNRELATED PURCHASER IN THE UNITED STATES UNDER A CONTRACT WITH FIXED PRICE TERMS CONCLUDED BEFORE JANUARY 9, 1978, THE ENTRY WILL NOT TRIGGER AN INVESTIGATION EVEN IF THE SALES PRICE IS BELOW THE TRIGGER PRICE, PROVIDED THAT DELIVERY IS MADE BEFORE APRIL 30, 1978.

WHILE THESE SALES WILL NOT AS A RULE TRIGGER A SELF-INITIATED ANTIDUMPING INVESTIGATION, INFORMATION CONCERNING SUCH SALES WILL BE KEPT AS A PART OF THE INFORMATION IN THE MONITORING SYSTEM AND WILL BE AVAILABLE IN THE EVENT THAT AN ANTIDUMPING PETITION IS FILED WITH RESPECT TO SUCH PRODUCTS SOLD BY THAT PRODUCER OR THE TREASURY DEPARTMENT DECIDES TO SELF-INITIATE AN ANTIDUMPING INVESTIGATION OF SUCH PRODUCTS BASED UPON SUBSEQUENT SALES.

D. RELATED PARTIES

D. 1. Q. WHAT PRICE SHOULD BE SHOWN ON THE SSSI WHERE SALES BETWEEN RELATED PARTIES ARE INVOLVED?

A. THE PRICE SHOWN ON THE SSSI SHOULD BE THE INTERNATIONAL TRANSACTION PRICE BETWEEN THE PARTIES UNDER WHICH THE MERCHANDISE WAS BROUGHT TO THE UNITED STATES.

D. 2. Q. CAN THE TRIGGER PRICE MECHANISM BE AVOIDED BY A FOREIGN EXPORTER THROUGH THE USE OF A SUBSIDIARY TO UNCLASSIFIED

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IMPORT AT TRIGGER PRICES AND RESELL WITHOUT ADDING THE COSTS INCURRED BY THE DOMESTIC SUBSIDIARY?

A. THE TRIGGER PRICE MECHANISM WILL BE USED TO MONITOR IMPORTS TO DETERMINE WHETHER THEY ARE BEING SOLD AT PRICES WHICH APPEAR TO BE BELOW "FAIR VALUE" UNDER THE ANTIDUMPING ACT; THE SALES PRICE BETWEEN RELATED PARTIES IS NOT RELEVANT TO THE DETERMINATION OF SALES AT "LESS THAN FAIR VALUE". THE ACT REQUIRES THAT A COMPARISON BE MADE OF HOME MARKET SALES TO THE SALES PRICE (MINUS THE RELATED IMPORTER'S COSTS AND INLAND TRANSPORTATION COSTS) IN THE FIRST SALE TO AN UNRELATED PURCHASER IN THE UNITED STATES. ACCORDINGLY, IMPORTERS RELATED TO FOREIGN

EXPORTERS MUST INDICATE THEIR RELATIONSHIP AT THE TIME OF ENTRY. IF THE TREASURY DEPARTMENT HAS REASON TO BELIEVE OR SUSPECT THAT THE RESALE BY THE IMPORTER TO THE FIRST UNRELATED PURCHASER IN THE UNITED STATES IS BEING MADE AT LESS THAN THE TRIGGER PRICE PLUS ALL OF THE IMPORTER'S COSTS (INCLUDING HANDLING, STORAGE, FURTHER PROCESSING AND ALL SELLING EXPENSES AND APPLICABLE OVER-HEAD, AS WELL AS, DOMESTIC TRANSPORTATION COSTS), THE DEPARTMENT WILL TREAT THE IMPORTATION AS UNDER THE TRIGGER PRICE AND DETERMINE WHETHER IT WOULD BE APPROPRIATE TO INITIATE AN ANTIDUMPING INVESTIGATION.

E. MONITORING AND INVESTIGATIONS

E. 1. Q. HOW WILL THE SPECIAL SUMMARY STEEL INVOICE (SSSI) BE REVIEWED AT TIME OF ENTRY?

A. ENTRIES FOR STEEL PRODUCTS COVERED BY THIS SYSTEM WILL BE SCRUTINIZED UPON RECEIPT BY THE IMPORT SPECIALIST UNCLASSIFIED

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TEAM(S) ORDINARILY ASSIGNED THAT TYPE OF MERCHANDISE.

THOSE ENTRIES FILED AT SUBPORTS WILL IMMEDIATELY BE SENT TO THE APPROPRIATE TEAM IN THE CUSTOMS DISTRICT OFFICE PORT. THIS WILL ASSURE REVIEW BY THE MOST TECHNICALLY QUALIFIED IMPORT SPECIALIST AVAILABLE IN THAT DISTRICT.

THE REVIEW CONDUCTED AT THE TIME OF ENTRY, ASIDE FROM ALL OTHER USUAL CUSTOMS REQUIREMENTS, WILL DETERMINE FOR EACH SSSI WHETHER THE MERCHANDISE WAS SOLD BELOW THE APPROPRIATE TRIGGER PRICE.

E. 2. Q. WHAT PROCEDURES HAVE BEEN ESTABLISHED FOR THE CUSTOMS DISTRICT OFFICE TO FOLLOW AFTER THE SSSI HAS BEEN REVIEWED?

A. IF THE REVIEW BY THE IMPORT SPECIALIST REVEALS THAT A TRANSACTION HAS OCCURRED THAT IS BELOW THE APPROPRIATE TRIGGER PRICE, A COPY OF THE SSSI WILL BE SO ANNOTATED AND IMMEDIATELY SENT TO THE DUTY ASSESSMENT DIVISION AT CUSTOMS HEADQUARTERS.

FOR TRANSACTIONS AT OR ABOVE THE TRIGGER PRICE, THE SSSI WILL BE REMOVED FROM ENTRIES, ACCUMULATED BY THE IMPORT SPECIALIST, AND BATCH-FORWARDED TO CUSTOMS HEADQUARTERS PERIODICALLY.

E. 3. Q. WHAT ACTION WILL BE TAKEN IN CUSTOMS HEADQUARTERS WITH RESPECT TO THE SSSI'S FROM THE DISTRICT OFFICES?

A. THE PROCESSING ACCOMPLISHED IN HEADQUARTERS WILL CONSIST OF CONTROLLING AND DIRECTING THE SYSTEM, COMPARING DATA, REQUESTING ADDITIONAL INVOICES OR MILL ANALYSIS DATA WHEN REQUIRED, VERIFYING MISSING OR UNCLEAR FACTORS, AND TABULATING SUMMARY REPORTS. WHERE A SHIPMENT IS BELOW THE TRIGGER PRICE, HEADQUARTERS WILL ALSO INITIATE UNCLASSIFIED

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IMMEDIATE, INFORMAL INQUIRIES TO DETERMINE IF SUCH SALES ARE AT LESS THAN FAIR VALUE AND WILL RECOMMEND TO THE TREASURY DEPARTMENT IN APPROPRIATE CASES THAT A FORMAL ANTIDUMPING INVESTIGATION BE INITIATED.

E. 4. Q. IF THE TREASURY DEPARTMENT DECIDES TO INITIATE A FORMAL ANTIDUMPING INVESTIGATION OF SALES BELOW THE TRIGGER PRICE, WHAT PROCEDURES WILL BE FOLLOWED IN THAT INVESTIGATION?

A. ANY INVESTIGATION WHICH TREASURY SELF-INITIATES WILL BE CONDUCTED IN ACCORDANCE WITH THE TREASURY ANTIDUMPING REGULATIONS PUBLISHED IN 19 CFR PART 153.

E. 5. Q. DO YOU ANTICIPATE EFFORTS TO EVADE THE TRIGGER

PRICE MECHANISM THROUGH MISDESCRIPTION OF STEEL PRODUCTS  
IN THE SPECIAL SUMMARY STEEL INVOICE?

A. THE SSSI WILL BE REVIEWED AT THE TIME OF ENTRY BY  
CUSTOMS IMPORT SPECIALISTS, WHO WILL COMPARE THE  
INFORMATION IN THE SSSI WITH OTHER DOCUMENTS PRESENTED ON  
ENTRY, INCLUDING THE COMMERCIAL INVOICE, MILL  
CERTIFICATE, SALES CONTRACT, ETC. THE IMPORTER IS  
REQUIRED TO VERIFY THE ACCURACY OF THE DOCUMENTS  
ACCOMPANYING THE ENTRY. IF CUSTOMS HAS REASON TO BELIEVE  
OR SUSPECT THAT THE PRODUCTS HAVE BEEN MISDESCRIBED IN AN  
ATTEMPT TO EVADE THE SYSTEM, IT WILL INVESTIGATE AND  
PURSUE THE APPLICATION OF APPROPRIATE PENALTIES, BOTH  
CIVIL AND CRIMINAL. END TEXT. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE036612  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EB/OT/STA:CB UM:LPP  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780064-1067  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t197802120/baaafbuz.tel  
**Line Count:** 612  
**Litigation Code IDs:**  
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**Litigation History:**  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Message ID:** c99cb5cf-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 12  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 14 feb 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3475370  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRIGGER PRICE MECHANISM FOR STEEL: QUESTIONS AND ANSWERS  
**TAGS:** ETRD, EIND, US  
**To:** ALL OECD CAPITALS BELGRADE MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/c99cb5cf-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014